

HOME BUYERS AND SELLERS GUIDE TO HOME INFORMATION PACKS





The Government is introducing Home Information Packs with the aim of improving the home buying and selling process.

From 14 December 2007, anyone putting a home up for sale will need to have a Pack and make it available to prospective buyers.

► **HOME TRUTH**

Home Information Packs can help all parties to commit more quickly and reduce the risk of sales falling through.

1 What is a Home Information Pack?

A Home Information Pack (HIP) is a set of documents providing important information about a property, including legal title, its energy efficiency and planning permissions. Home Information Packs are now required for all homes put on the market after 14 December 2007.

Home Information Packs are being introduced to improve home buying and selling for the consumer and as part of wider action to cut carbon emissions from homes. This means that every person marketing a home after 14 December 2007 must have commissioned a Home Information Pack before putting their property on the market.

2 What is in a Home Information Pack?

The Packs include the key documents that are normally required when homes are bought and sold. Potential buyers can receive this information at the start of the home buying and selling process. Some documents will be compulsory under the new legislation.

The compulsory documents are:

- ◆ An index (i.e. a list of the contents of the Pack)
- ◆ An Energy Performance Certificate (EPC)
- ◆ A sale statement (summarising the terms of sale)
- ◆ Evidence of title
- ◆ Standard searches (e.g. local authority enquiries and a drainage and water search)
- ◆ Where appropriate, commonhold information
- ◆ Where appropriate a copy of the lease

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Consumers will now have more of the facts up front when buying a home.



There are also optional documents that can be provided as part of a Home Information Pack, including a Home Condition Report which gives details on the condition of the property.

Optional documents are:

- ◆ A Home Condition Report (HCR)
- ◆ Additional leasehold information
- ◆ A legal summary
- ◆ Guarantees and warranties
- ◆ Other searches relevant to the particular area
- ◆ A Home Use Form
- ◆ A Home Contents Form and additional relevant information

Until the 31 May 2008, the seller is free to market without a Pack until an EPC is obtained. The seller has an obligation to obtain an EPC as soon as possible, and certainly before the time of exchange of contracts. Once the EPC is available, a HIP containing the EPC, sale statement, evidence of title and index must be provided, with local and drainage and water searches – or evidence that they have been commissioned.

3 What is an Energy Performance Certificate?

Energy Performance Certificates (EPCs) tell home buyers and sellers about a home's energy efficiency – using A to G ratings, like those used to rate fridges and washing machines. As soon as it

has been received, the EPC should be made available to potential buyers. The Certificate will make recommendations for cost-effective improvements to help cut fuel bills and carbon emissions. Our homes currently account for 27% of the UK's carbon emissions, contributing to global climate change. It is estimated that by following the recommendations in an EPC, an average of £300 a year can be saved in fuel bills.

The EPC is prepared by Domestic Energy Assessor or Home Inspectors, who are members of Government approved Accreditation and Certification Schemes.

4 What is a Home Condition Report?

The Home Condition Report contains information about the physical condition of a property. Sellers, buyers and lenders will have a legal right to rely on it as an objective and authoritative report. It is prepared by Home Inspectors who are members



of a Government approved and regulated Certification Scheme. Sellers who provide a Home Condition Report will have an early opportunity to carry out any repair work on their home or obtain quotes prior to marketing their home. Potential buyers will be made aware of any repairs that they might need to make and they will be reassured that the property is in good condition before they decide to put in an offer. Lenders can also benefit by using the report to inform their valuations, reducing the need to repeat a survey at the buyer's expense.

5 How will Home Information Packs help the current buying and selling process?

Home Information Packs aim to reduce the stress of buying and selling a home by providing key documents at the time a property is put on the market. Currently this information is not normally made available until after an offer has been negotiated, often causing sales to be renegotiated or collapse altogether.

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The average home owner could save around £300 in fuel bills by making their home more energy efficient.

The Packs aim to increase confidence in the sale process from the start. The transparency of this process should lead to an increase in competition in the market. Estate agents marketing homes with Packs will be required, for the first time, to belong to an approved consumer redress scheme. This means more peace of mind and a better standard of service for consumers.

6 Who will compile my Home Information Pack?

A number of organisations including estate agents, lenders, conveyancers and specialist Pack providers offer Home Information Packs to buyers and sellers.



7 How much will a Pack cost?

The cost of preparing a Pack will be determined by market forces and not by Government. However, the Pack is expected to cost around £350 (including £100 for an Energy Performance Certificate). Apart from the Energy Performance Certificate, most of the cost of the Pack already exists in the home buying and selling process.

The only new elements are the compulsory Energy Performance Certificate and optional Home Condition Report. Home buyers will receive a copy of the Pack free of charge on any property that they wish to consider (although a reasonable charge for copying and posting a copy of the Pack can be made). This will help first time buyers in particular as the Packs will make it easier and less expensive for them to get their foot on the property ladder.

8 Where can I find a Home Inspector or a Domestic Energy Assessor?

Many sellers will use the services of estate agents or a Home Information Pack provider who will commission a Home Inspector or a Domestic Energy Assessor on a seller's behalf. Sellers can also commission Home Inspectors and Domestic Energy Assessors directly. Home Information Pack providers, Home Inspectors and Domestic Energy Assessors can be found through local business listings and online business directories.

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Including a voluntary Home Condition Report in your Pack will help your house stand out from the rest.



More details are available about the introduction of Home Information Packs at www.homeinformationpacks.gov.uk

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